

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re: AIHERN RENTALS, INC.

Case No. 11-53860-BTB

**CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)**

**SUMMARY OF FINANCIAL STATUS**

MONTH ENDED: May-13PETITION DATE: 12/22/11

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).  
Dollars reported in \$1

|  | End of Current<br>Month | End of Prior<br>Month | As of Petition<br>Filing |
|--|-------------------------|-----------------------|--------------------------|
| <b>2. Asset and Liability Structure</b>                            |                         |                       |                          |
| a. Current Assets  | \$97,795,724            | \$100,582,616         |                          |
| b. Total Assets  | \$418,165,902           | \$417,088,688         | \$485,807,118            |
| c. Current Liabilities   | \$63,475,705            | \$60,893,529          |                          |
| d. Total Liabilities   | \$662,129,161           | \$658,852,539         | \$649,919,474            |
|  |                         |                       | <b>Cumulative</b>        |
| <b>3. Statement of Cash Receipts &amp; Disbursements for Month</b> | <b>Current Month</b>    | <b>Prior Month</b>    | <b>(Case to Date)</b>    |
| a. Total Receipts  | \$74,355,832            | \$69,761,508          | \$1,374,890,117          |
| b. Total Disbursements   | \$72,795,664            | \$71,979,401          | \$1,374,494,247          |
| c. Excess (Deficiency) of Receipts Over Disbursements (a - b)      | \$1,560,168             | (\$2,217,893)         | \$395,870                |
| d. Cash Balance Beginning of Month                                 | \$2,254,009             | \$4,471,902           | \$3,418,307              |
| e. Cash Balance End of Month (c + d)                               | \$3,814,177             | \$2,254,009           | \$3,814,177              |
|  | <b>Current Month</b>    | <b>Prior Month</b>    | <b>Cumulative</b>        |
| <b>4. Profit/(Loss) from the Statement of Operations</b>           | (\$2,199,408)           | (\$2,342,866)         | <b>(Case to Date)</b>    |
| <b>5. Account Receivables (Pre and Post Petition)</b>              | \$62,031,490            | \$63,040,774          | (\$62,202,894)           |
| <b>6. Post-Petition Liabilities</b>                                | \$278,998,596           | \$275,708,721         |                          |
| <b>7. Past Due Post-Petition Account Payables (over 30 days)</b>   | \$2,558,465             | \$1,912,133           |                          |

## At the end of this reporting month:

- |  | Yes                            | No |
|--|--------------------------------|----|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | X<br>See attached notes to MOR |    |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)   | X                              |    |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court?  | X                              |    |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)                                   | X                              |    |
| 12. Is the estate insured for replacement cost of assets and for general liability?  | X                              |    |
| 13. Are a plan and disclosure statement on file?   | X                              |    |
| 14. Was there any post-petition borrowing during this reporting period?  | X                              |    |
15. Check if paid: Post-petition taxes X ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: X .  
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 8-16-13

  
Responsible Individual

Debtor: Andre Rentals, Inc.

Case No.: 11-53860-BTB

Monthly Operating Report

May 2013

Question 8: Detail listing of payments made on pre-petition debt

| Date of<br>Payment                             | Name of Payee | Amount of<br>Payment | Reason for<br>Payment |
|--|---------------|----------------------|-----------------------|
| See attached Notes to Monthly Operating Report |               |                      |                       |

Case No.: 11-53860-BTB

## Monthly Operating Report

May 2013

## Question 9: Detail listing of payments to professionals

| Date of<br>Payment | Name of Payee       | Amount of<br>Payment | Reason for<br>Payment         |
|--------------------|---------------------|----------------------|-------------------------------|
| 5/15/2013          | Gordon Silver       | 146,435.07           | March 2013 billings           |
| 5/15/2013          | DLA Piper           | 212,685.47           | March 2013 billings           |
| 5/15/2013          | Stoel Rives         | 5,244.00             | March 2013 billings           |
| 5/15/2013          | Covington & Burling | 126,896.33           | March 2013 billings           |
| 5/15/2013          | Downey Brand        | 15,628.90            | March 2013 billings           |
| 5/15/2013          | FTI Consulting      | 52,809.51            | March 2013 billings           |
| 5/15/2013          | Kurtzmann Carson    | 47,010.30            | February 2013 billings        |
| 5/15/2013          | Milbank Tweed       | 516,460.61           | January-March 2013 billings   |
| 5/24/2013          | Jefferies           | 6,825,000.00         | Commitment Fee                |
| 5/6/2013           | Latham & Watkins    | 146,051.92           | Legal fees for exit financing |

Case No.: 11-53860-BTB

## Monthly Operating Report

May 2013

Question 11: Detail listing of payments to officers, insiders, shareholders, relatives

| Date of Payment | Name of Payee     | Amount of Payment | Reason for Payment               |
|-----------------|-------------------|-------------------|----------------------------------|
| 5/7/2013        | Tim Lotspeich     | 2,500.00          | Payroll                          |
| 5/7/2013        | Gary Willingham   | 2,512.00          | Payroll+anniversary vacation pay |
| 5/7/2013        | Evan Ahern        | 7,692.31          | Payroll                          |
| 5/7/2013        | Howard Brown      | 3,461.54          | Payroll                          |
| 5/7/2013        | John Ahern        | 2,403.85          | Payroll                          |
| 5/7/2013        | Terry Quattrocchi | 1,346.15          | Payroll                          |
| 5/7/2013        | Ryan Ahern        | 1,923.08          | Payroll                          |
| 5/7/2013        | Fan Chou          | 1,923.08          | Payroll                          |
| 5/7/2013        | Philip Keesling   | 240.38            | Payroll                          |
| 5/7/2013        | Don Ahern         | 15,846.15         | Payroll                          |
| 5/7/2013        | Kirk Hartle       | 3,846.15          | Payroll                          |
| 5/14/2013       | Tim Lotspeich     | 2,500.00          | Payroll                          |
| 5/14/2013       | Gary Willingham   | 624.00            | Payroll                          |
| 5/14/2013       | Evan Ahern        | 7,692.31          | Payroll                          |
| 5/14/2013       | Howard Brown      | 3,461.54          | Payroll                          |
| 5/14/2013       | John Ahern        | 2,403.85          | Payroll                          |
| 5/14/2013       | Terry Quattrocchi | 1,346.15          | Payroll                          |
| 5/14/2013       | Ryan Ahern        | 1,923.08          | Payroll                          |
| 5/14/2013       | Fan Chou          | 1,923.08          | Payroll                          |
| 5/14/2013       | Philip Keesling   | 240.38            | Payroll                          |
| 5/14/2013       | Don Ahern         | 15,846.15         | Payroll                          |
| 5/14/2013       | Kirk Hartle       | 3,846.15          | Payroll                          |
| 5/14/2013       | Evan Ahern        | 8,931.72          | Profit commission                |
| 5/14/2013       | Don Ahern         | 17,863.44         | Profit commission                |
| 5/21/2013       | Tim Lotspeich     | 2,500.00          | Payroll                          |
| 5/21/2013       | Gary Willingham   | 592.00            | Payroll                          |
| 5/21/2013       | Evan Ahern        | 7,692.31          | Payroll                          |
| 5/21/2013       | Howard Brown      | 3,461.54          | Payroll                          |
| 5/21/2013       | John Ahern        | 2,403.85          | Payroll                          |
| 5/21/2013       | Terry Quattrocchi | 1,346.15          | Payroll                          |
| 5/21/2013       | Ryan Ahern        | 1,923.08          | Payroll                          |
| 5/21/2013       | Fan Chou          | 1,923.08          | Payroll                          |
| 5/21/2013       | Philip Keesling   | 240.38            | Payroll                          |
| 5/21/2013       | Don Ahern         | 15,846.15         | Payroll                          |
| 5/21/2013       | Kirk Hartle       | 3,846.15          | Payroll                          |
| 5/28/2013       | Tim Lotspeich     | 2,500.00          | Payroll                          |
| 5/28/2013       | Gary Willingham   | 608.00            | Payroll                          |
| 5/28/2013       | Evan Ahern        | 7,692.31          | Payroll                          |
| 5/28/2013       | Howard Brown      | 3,461.54          | Payroll                          |
| 5/28/2013       | John Ahern        | 2,403.85          | Payroll                          |
| 5/28/2013       | Terry Quattrocchi | 1,346.15          | Payroll                          |
| 5/28/2013       | Ryan Ahern        | 1,923.08          | Payroll                          |
| 5/28/2013       | Fan Chou          | 1,923.08          | Payroll                          |
| 5/28/2013       | Philip Keesling   | 240.38            | Payroll                          |
| 5/28/2013       | Don Ahern         | 15,846.15         | Payroll                          |
| 5/28/2013       | Kirk Hartle       | 3,846.15          | Payroll                          |



In re: Ahern Rentals, Inc.

Case No.: 11-53860-BTB

Monthly Operating Report

May 2013

Question 11: Detail listing of payments to officers, insiders, shareholders, relatives

| Date of Payment | Name of Payee                          | Amount of Payment | Reason for Payment                          |
|-----------------|--|-------------------|---|
| 5/1/2013        | DFA, LLC                               | 753,891.00        | Rent  |
| 5/1/2013        | Philip Keesling                        | 24,801.32         | Rent  |
| 5/1/2013        | Xtreme Manufacturing                   | 76,879.54         | Parts and rerents                           |
| 5/1/2013        | Don & Paul, LLC                        | 58,123.00         | Rent  |
| 5/1/2013        | Xtreme Financial                       | 1,651.75          | Pass through commission                     |
| 5/2/2013        | Xtreme Manufacturing                   | 100,429.36        | Parts, equipment for resale, rerent expense |
| 5/3/2013        | DFA, LLC                               | 122.98            | Rent for corporate housing                  |
| 5/6/2013        | Fan Chou                               | 750.00            | Car allowance                               |
| 5/6/2013        | Ahern IT, LLC                          | 10,168.80         | IT services                                 |
| 5/7/2013        | Don Ahern                              | 2,539.46          | Employee loan repayments                    |
| 5/8/2013        | Xtreme Manufacturing                   | 499,044.09        | Parts, equipment for resale, rerent expense |
| 5/8/2013        | Diamond A Equipment                    | 63,855.42         | Parts                                       |
| 5/10/2013       | Enoch Stiff                            | 20,000.00         | Consulting fees                             |
| 5/10/2013       | Equipment Connections                  | 1,989.02          | Consulting fees                             |
| 5/14/2013       | Don Ahern                              | 2,315.32          | Employee loan repayments                    |
| 5/15/2013       | Xtreme Manufacturing                   | 376,650.23        | Parts, equipment for resale, rerent expense |
| 5/15/2013       | Diamond A Equipment                    | 5,990.84          | Parts                                       |
| 5/21/2013       | Don Ahern                              | 1,928.24          | Employee loan repayments                    |
| 5/22/2013       | Xtreme Manufacturing                   | 1,378,130.48      | Parts, equipment for resale, rerent expense |
| 5/22/2013       | Diamond A Equipment                    | 32,865.03         | Parts                                       |
| 5/24/2013       | Don F Ahern Family Limited Partnership | 39,558.00         | Rent  |
| 5/24/2013       | Fan Chou                               | 543.22            | Expense reimbursement                       |
| 5/28/2013       | Don Ahern                              | 1,648.60          | Employee loan repayments                    |
| 5/31/2013       | Xtreme Financial                       | 500.00            | Pass through commission                     |

**STATEMENT OF OPERATIONS****(General Business Case)**For the Month Ended 05/31/13

|                              |  | <u>Current Month</u> | <u>Cumulative</u>     |
|------------------------------|--|----------------------|-----------------------|
|                              |  | <u>Actual</u>        | <u>(Case to Date)</u> |
| <b>Revenues:</b>             |  |                      |                       |
| 1                            | Gross Sales  | \$33,584,505         | \$551,989,573         |
| 2                            | less: Sales Returns & Allowances                               |                      |                       |
| 3                            | Net Sales  | \$33,584,505         | \$551,989,573         |
| 4                            | less: Cost of Goods Sold (Schedule 'B')                        | \$0                  |                       |
| 5                            | Gross Profit   | \$33,584,505         | \$551,989,573         |
| 6                            | Interest   |                      |                       |
| 7                            | Other Income: Other, net                                       | \$3,563              | \$602,555             |
| 8                            |  |                      |                       |
| 9                            |  |                      |                       |
| 10                           | <b>Total Revenues</b>  | \$33,588,068         | \$552,592,128         |
| <b>Expenses:</b>             |  |                      |                       |
| 11                           | Compensation to Owner(s)/Officer(s)                            |                      |                       |
| 12                           | Salaries   |                      |                       |
| 13                           | Commissions  |                      |                       |
| 14                           | Contract Labor   |                      |                       |
|                              | Rent/Lease:  |                      |                       |
| 15                           | Personal Property  |                      |                       |
| 16                           | Real Property  |                      |                       |
| 17                           | Insurance  |                      |                       |
| 18                           | Management Fees  |                      |                       |
| 19                           | Depreciation   | \$6,775,647          | \$123,490,080         |
|                              | Taxes:   |                      |                       |
| 20                           | Employer Payroll Taxes   |                      |                       |
| 21                           | Real Property Taxes  |                      |                       |
| 22                           | Other Taxes  |                      |                       |
| 23                           | Other Selling  |                      |                       |
| 24                           | Other Administrative   |                      |                       |
| 25                           | Interest   |                      |                       |
| 26                           | Other Expenses:  |                      |                       |
| 27                           | Cost of equipment rental operations                            | \$13,736,066         | \$244,040,291         |
| 28                           | Cost of rental equipment sales                                 | \$776,334            | \$17,052,315          |
| 29                           | Cost of new equipment sales and other                          | \$1,616,327          | \$30,014,266          |
| 30                           | Selling, general & administrative                              | \$5,695,993          | \$94,796,117          |
| 31                           | Lease exit costs   | \$66,040             | \$1,326,996           |
| 32                           |  |                      |                       |
| 33                           |  | \$0                  | \$0                   |
| 34                           | Interest expense   | \$4,945,471          | \$85,963,662          |
| 35                           | <b>Total Expenses</b>  | \$33,611,878         | \$596,683,727         |
| 36                           | <b>Subtotal</b>  | (\$23,810)           | (\$44,091,599)        |
| <b>Reorganization Items:</b> |  |                      |                       |
| 37                           | Professional Fees  | (\$2,175,598)        | (\$18,040,895)        |
| 38                           | Provisions for Rejected Executory Contracts                    |                      |                       |
| 39                           | Interest Earned on Accumulated Cash from Resulting Chp 11 Case |                      |                       |
| 40                           | Gain or (Loss) from Sale of Equipment                          |                      |                       |
| 41                           | U.S. Trustee Quarterly Fees                                    | \$0                  | (\$70,400)            |
| 42                           |  |                      |                       |
| 43                           | <b>Total Reorganization Items</b>                              | (\$2,175,598)        | (\$18,111,295)        |
| 44                           | <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>      | (\$2,199,408)        | (\$62,202,894)        |
| 45                           | Federal & State Income Taxes                                   |                      |                       |
| 46                           | <b>Net Profit (Loss)</b>                                       | (\$2,199,408)        | (\$62,202,894)        |

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 05/31/13

**Assets****From Schedules****Book Value****Current Assets**

|   |  |   |                     |
|---|--|---|---------------------|
| 1 | Cash and cash equivalents - unrestricted |   |                     |
| 2 | Cash and cash equivalents - restricted   |   | \$3,814,177         |
| 3 | Accounts receivable (net)                | A | \$62,031,490        |
| 4 | Inventory                                | B | \$26,823,266        |
| 5 | Prepaid expenses                         |   | \$1,272,769         |
| 6 | Professional retainers                   |   | \$653,297           |
| 7 | Other: Deposits                          |   | \$3,200,725         |
| 8 |  |   |                     |
| 9 | <b>Total Current Assets</b>              |   | <b>\$97,795,724</b> |

**Property and Equipment (Book Value)**

|    |                                     |   |                      |
|----|-------------------------------------|---|----------------------|
| 10 | Real property                       | C | \$0                  |
| 11 | Machinery and equipment             | D | \$246,121,143        |
| 12 | Furniture and fixtures              | D | \$8,205,445          |
| 13 | Office equipment                    | D | \$0                  |
| 14 | Leasehold improvements              | D | \$29,561,511         |
| 15 | Vehicles                            | D | \$22,086,089         |
| 16 | Other:                              | D |                      |
| 17 |                                     | D |                      |
| 18 |                                     | D |                      |
| 19 |                                     | D |                      |
| 20 |                                     | D |                      |
| 21 | <b>Total Property and Equipment</b> |   | <b>\$305,974,188</b> |

**Other Assets**

|    |                           |  |                      |
|----|---------------------------|--|----------------------|
| 22 | Loans to shareholders     |  |                      |
| 23 | Loans to affiliates       |  |                      |
| 24 | Debt issuance costs       |  | \$10,988,174         |
| 25 | Other                     |  | \$3,407,816          |
| 26 |                           |  |                      |
| 27 |                           |  |                      |
| 28 | <b>Total Other Assets</b> |  | <b>\$14,395,990</b>  |
| 29 | <b>Total Assets</b>       |  | <b>\$418,165,902</b> |

**Liabilities and Equity**  
(General Business Case)

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

|    |  |   |                     |
|----|--|---|---------------------|
| 30 | Salaries and wages   |   | \$2,669,189         |
| 31 | Payroll taxes  |   | \$468,570           |
| 32 | Real and personal property taxes                                       |   | \$1,236,798         |
| 33 | Income taxes   |   | \$0                 |
| 34 | Sales taxes  |   | \$2,470,098         |
| 35 | Notes payable (short term)   |   |                     |
| 36 | Accounts payable (trade)   | A | \$13,704,854        |
| 37 | Real property lease arrearage  |   |                     |
| 38 | Personal property lease arrearage                                      |   |                     |
| 39 | Accrued professional fees  |   |                     |
| 40 | Current portion of long-term post-petition debt (due within 12 months) |   |                     |
| 41 | Other: Insurance and other   |   | \$2,296,884         |
| 42 | Interest payable (see attached notes to MOR)                           |   | \$39,784,757        |
| 43 | Lease exit costs   |   | \$844,555           |
| 44 | <b>Total Current Liabilities</b>                                       |   | <b>\$63,475,705</b> |

|    |   |  |                      |
|----|---|--|----------------------|
| 45 | <b>Long-Term Post-Petition Debt, Net of Current Portion</b> |  | <b>\$215,522,891</b> |
|----|---|--|----------------------|

|    |  |  |                      |
|----|--|--|----------------------|
| 46 | <b>Total Post-Petition Liabilities</b> |  | <b>\$278,998,596</b> |
|----|--|--|----------------------|

**Pre-Petition Liabilities**

|    |                                       |   |                      |
|----|---------------------------------------|---|----------------------|
| 47 | Secured claims                        | F | \$379,244,086        |
| 48 | Priority unsecured claims             | F | \$2,675              |
| 49 | General unsecured claims              | F | \$3,883,804          |
| 50 | <b>Total Pre-Petition Liabilities</b> |   | <b>\$383,130,565</b> |
| 51 | <b>Total Liabilities</b>              |   | <b>\$662,129,161</b> |

**Equity (Deficit)**

|    |  |  |                        |
|----|--|--|------------------------|
| 52 | Retained Earnings/(Deficit) at time of filing          |  | (\$184,866,047)        |
| 53 | Capital Stock  |  | \$5,915,214            |
| 54 | Additional paid-in capital                             |  |                        |
| 55 | Cumulative profit/(loss) since filing of case          |  | (\$62,202,894)         |
| 56 | Post-petition contributions/(distributions) or (draws) |  |                        |
| 57 | Year end 2011 audit adjustments                        |  | (\$2,809,532)          |
| 58 | Market value adjustment                                |  |                        |
| 59 | <b>Total Equity (Deficit)</b>                          |  | <b>(\$243,963,259)</b> |
| 60 | <b>Total Liabilities and Equity (Deficit)</b>          |  | <b>\$418,165,902</b>   |



**SCHEDULES TO THE BALANCE SHEET**  
(General Business Case)

**Schedule A**

**Accounts Receivable and (Net) Payable**

| <b>Receivables and Payables Agings</b> | <b>Accounts Receivable<br/>[Pre and Post Petition]</b> | <b>Accounts Payable<br/>[Post Petition]</b> | <b>Past Due<br/>Post Petition Debt</b> |
|--|--|---|--|
| 0 -30 Days                             | \$29,914,385   | \$11,146,389                                |  |
| 31-60 Days                             | \$15,903,919   | \$1,869,826                                 |  |
| 61-90 Days                             | \$6,424,022  | \$288,212                                   | \$2,558,465                            |
| 91+ Days                               | \$14,115,708   | \$400,427                                   |  |
| Total accounts receivable/payable      | \$66,358,034   | \$13,704,854                                |  |
| Allowance for doubtful accounts        | \$4,326,544  |   |  |
| Accounts receivable (net)              | \$62,031,490   |   |  |

**Schedule B**

**Inventory/Cost of Goods Sold**

| <b>Types and Amount of Inventory(ies)</b> | <b>Inventory(ies)<br/>Balance at<br/>End of Month</b> | <b>Cost of Goods Sold</b>           |            |
|---|---|-------------------------------------|------------|
|   |   | <b>Inventory Beginning of Month</b> |            |
|   |   | Add -                               |            |
| Retail/Restaurants -                      |   | Net purchase                        |            |
| Product for resale                        |   | Direct labor                        |            |
|   |   | Manufacturing overhead              |            |
| Distribution -                            |   | Freight in                          |            |
| Products for resale                       | \$26,823,266  | Other:                              |            |
|   |   |                                     |            |
| Manufacturer -                            |   |                                     |            |
| Raw Materials                             |   |                                     |            |
| Work-in-progress                          |   |                                     |            |
| Finished goods                            |   |                                     |            |
| Other - Explain                           |   |                                     |            |
|   |   |                                     |            |
|   |   |                                     |            |
| <b>TOTAL</b>                              | <b>\$26,823,266</b>                                   | <b>Cost of Goods Sold</b>           | <b>\$0</b> |

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes X No       

How often do you take a complete physical inventory?

Weekly See attached Notes to MOR

Monthly       

Quarterly       

Semi-annually       

Annually       

Date of last physical inventory was See attached Notes to MOR

Date of next physical inventory is See attached Notes to MOR

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost       

LIFO cost       

Lower of cost or market       

Retail method       

Other X

Explain       

See attached Notes to MOR

**Schedule C**  
**Real Property**

| Description | <u>Cost</u> | <u>Market Value</u> |
|-------------|-------------|---------------------|
| NONE        |             |                     |
|             |             |                     |
|             |             |                     |
|             |             |                     |
|             |             |                     |
| Total       | <u>\$0</u>  | <u>\$0</u>          |

**Schedule D**  
**Other Depreciable Assets**

| Description                       | <u>Cost</u>          | <u>Book Value</u>    |
|-----------------------------------|----------------------|----------------------|
| Machinery & Equipment -           |                      |                      |
| Rental equipment, net             | \$246,121,143        | \$246,121,143        |
|                                   |                      |                      |
|                                   |                      |                      |
| Total                             | <u>\$246,121,143</u> | <u>\$246,121,143</u> |
| Furniture & Fixtures -            |                      |                      |
| Other property and equipment, net | \$8,205,445          | \$8,205,445          |
|                                   |                      |                      |
|                                   |                      |                      |
| Total                             | <u>\$8,205,445</u>   | <u>\$8,205,445</u>   |
| Office Equipment -                |                      |                      |
|                                   |                      | \$0                  |
|                                   |                      |                      |
| Total                             | <u>\$0</u>           | <u>\$0</u>           |
| Leasehold Improvements -          |                      |                      |
| Leasehold improvements, net       | \$27,353,179         | \$27,353,179         |
| Construction in progress          | \$2,208,332          | \$2,208,332          |
|                                   |                      |                      |
| Total                             | <u>\$29,561,511</u>  | <u>\$29,561,511</u>  |
| Vehicles -                        |                      |                      |
| Transportation equipment, net     | \$22,086,089         | \$22,086,089         |
|                                   |                      |                      |
|                                   |                      |                      |
| Total                             | <u>\$22,086,089</u>  | <u>\$22,086,089</u>  |

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 05/31/13

|                           |  | Actual<br>Current Month | Cumulative<br>(Case to Date) |
|---------------------------|--|-------------------------|------------------------------|
| <b>Cash Receipts</b>      |  |                         |                              |
| 1                         | Rent/Leases Collected                                |                         |                              |
| 2                         | Cash Received from Sales                             | \$34,876,032            | \$588,773,518                |
| 3                         | Interest Received                                    |                         |                              |
| 4                         | Borrowings   | \$39,479,800            | \$786,116,599                |
| 5                         | Funds from Shareholders, Partners, or Other Insiders |                         |                              |
| 6                         | Capital Contributions                                |                         |                              |
| 7                         |  |                         |                              |
| 8                         |  |                         |                              |
| 9                         |  |                         |                              |
| 10                        |  |                         |                              |
| 11                        |  |                         |                              |
| 12                        | <b>Total Cash Receipts</b>                           | <b>\$74,355,832</b>     | <b>\$1,374,890,117</b>       |
| <b>Cash Disbursements</b> |  |                         |                              |
| 13                        | Payments for Inventory                               |                         |                              |
| 14                        | Selling  |                         |                              |
| 15                        | Administrative                                       |                         |                              |
| 16                        | Capital Expenditures                                 | \$2,338,185             | \$74,571,134                 |
| 17                        | Principal Payments on Debt                           | \$37,602,057            | \$830,922,921                |
| 18                        | Interest Paid  | \$2,324,819             | \$39,661,465                 |
|                           | Rent/Lease:  |                         |                              |
| 19                        | Personal Property                                    |                         |                              |
| 20                        | Real Property  | \$1,200,864             | \$20,405,819                 |
|                           | Amount Paid to Owner(s)/Officer(s)                   |                         |                              |
| 21                        | Salaries   |                         |                              |
| 22                        | Draws  |                         |                              |
| 23                        | Commissions/Royalties                                |                         |                              |
| 24                        | Expense Reimbursements                               |                         |                              |
| 25                        | Other  |                         |                              |
| 26                        | Salaries/Commissions (less employee withholding)     | \$6,174,579             | \$102,589,979                |
| 27                        | Management Fees                                      |                         |                              |
|                           | Taxes:   |                         |                              |
| 28                        | Employee Withholding                                 |                         |                              |
| 29                        | Employer Payroll Taxes                               | \$2,040,948             | \$41,395,927                 |
| 30                        | Real Property Taxes                                  |                         |                              |
| 31                        | Other Taxes  | \$3,044,638             | \$49,145,512                 |
| 32                        | Other Cash Outflows:                                 |                         |                              |
| 33                        | Operating disbursements                              | \$4,997,553             | \$119,962,082                |
| 34                        | Other selling, general, and administrative           | \$2,718,172             | \$34,340,190                 |
| 35                        | Equipment held for sale                              | \$685,267               | \$13,574,745                 |
| 36                        | Insurance  | \$1,528,536             | \$22,166,326                 |
| 37                        | Restructuring expenses                               | \$8,140,046             | \$25,758,147                 |
| 38                        | <b>Total Cash Disbursements:</b>                     | <b>\$72,795,664</b>     | <b>\$1,374,494,247</b>       |
| 39                        | <b>Net Increase (Decrease) in Cash</b>               | <b>\$1,560,168</b>      | <b>\$395,870</b>             |
| 40                        | <b>Cash Balance, Beginning of Period</b>             | <b>\$2,254,009</b>      | <b>\$3,418,307</b>           |
| 41                        | <b>Cash Balance, End of Period</b>                   | <b>\$3,814,177</b>      | <b>\$3,814,177</b>           |



In re: AHERN RENTALS, INC.  
Case No.: 11-53860-BTB  
MONTHLY OPERATING REPORT  
GENERAL NOTES  
May 2013

**Basis of Presentation**

The financial statements and related information contained herein are unaudited, preliminary, and may not comply with generally accepted accounting principles in the United States of America ("U.S. GAAP") in all material respects. The unaudited financial statements have been derived from the books and records of the Debtor. The financial information furnished herein includes normal recurring adjustments necessary for a fair statement of the results for the period. The results of operations presented herein are not necessarily indicative of results that may be expected for any other period.

**Method of Inventory Control and Accounting**

Parts managers at each of Debtor's branches perform a daily cycle count of at least 1% of inventory (not including rental equipment) so that a full cycle count is completed in approximately 6 months. Branch managers perform a monthly inventory count of all rental equipment assigned to their branch. Additionally, Debtor's Internal Audit department performs test counts of inventories during routine branch audits and ensures compliance with Debtor's inventory policies.

Debtor's inventories (not including rental equipment) are valued at the lower of market or cost determined by the average cost method, except to new serialized equipment units held for sale, the cost of which is determined using the specific identification method.

**Bank Accounts and Reconciliation – Schedule H**

The Debtor has, on a timely basis, completed all bank account reconciliations in the ordinary course of business. Copies of bank statements, check registers, and reconciliations are available for inspections upon request by the United States Trustee's Office.

The Debtor's bank account structure is fairly complex and the amounts reflected as Cash in Bank on Debtor's Balance Sheet are comprised of either deposits in transit or amounts drawn on the DIP Credit Facility to fund for disbursements, and until the disbursement clears the bank, this funding will show as cash in bank. The structure of the Debtor's bank accounts is very much like a zero balance sweep structure wherein draws are made on the DIP credit facility to fund disbursements as they occur and the DIP credit facility is paid down as deposits clear the bank and are swept.



In re: AHERN RENTALS, INC.  
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**Interest payable**

Interest payable included in the post-petition liabilities section of the Monthly Operating Report includes the following:

- Accrued and unpaid interest on the DIP revolving credit facility
- Interest accrued post-petition on the Debtor's first-lien last-out Term Loan ("Term Loan"). The Term Loan and interest accrued pre-petition on the Term Loan are included in Pre-petition liabilities – Secured Claims. The Debtor is authorized to pay post-petition interest on the Term Loan monthly in cash.
- Approximately \$37.4 million of post-petition accrued interest on the Debtor's Second Priority Senior Secured Notes ("2<sup>nd</sup> Lien Notes"). The 2<sup>nd</sup> Lien Notes and interest accrued pre-petition on the 2<sup>nd</sup> Lien Notes are included in Pre-petition liabilities – Secured Claims.

It has not been determined by the Bankruptcy Court that all the debt of the Debtor is fully secured and hence may not be entitled to any interest.

**Payments made on pre-petition debt**

The Debtor has paid prepetition obligations since the filing per first day orders and subsequent orders approved by the Bankruptcy Court. Such orders include but are not limited to: employees related obligations, shipping and warehouseman costs, selected customer practices costs, 503 b (9) claims, DIP financing costs and taxes.